

5420 Prison Industry Authority

The California Prison Industry Authority (CALPIA) is a self-supporting state entity operating California's correctional industries in a manner similar to private industry. The CALPIA was reconstituted from the previous California Correctional Industries Program through legislation enacted in 1982. The CALPIA is overseen by the Prison Industry Board, which acts much like a corporate board of directors. The Board is composed of 11 members, including the Secretary of the California Department of Corrections and Rehabilitation (CDCR) or his or her designee, the Director of the Department of General Services or his or her designee, the Secretary of Business, Transportation and Housing or his or her designee, two public members appointed by the Speaker of the Assembly, two public members appointed by the Senate Committee on Rules, and four members appointed by the Governor representing organized labor and the industry. The Secretary of the CDCR serves as chair of the Board.

The CALPIA supports the public safety mission of the CDCR by producing well-trained offenders that have a job skill, good work habits, basic education, and job support in the community to reduce the likelihood of returning to prison. The CALPIA work programs also help the CDCR to avoid the cost of alternative inmate programming for program participants.

The CALPIA has three statutory objectives: 1) develop and operate manufacturing, agricultural, and service enterprises that provide work opportunities for offenders under the jurisdiction of the CDCR; 2) create and maintain working conditions within enterprises similar to those which prevail in private industry to assure offenders assigned therein the opportunity to work productively to earn funds and to acquire or improve effective work habits and occupational skills; and 3) operate work programs for offenders that are self-supporting through the generation of sufficient funds from the sale of products and services to pay all program expenses, and which provide goods and services to be used by the CDCR, thereby reducing the costs of its operation. The CALPIA receives no annual appropriation from the Legislature.

LEGAL CITATIONS AND AUTHORITY

Penal Code, Part 3, Title 1, Chapter 6, Article 1 (Sections 2800-2818).

5420 Prison Industry Authority - Continued

Statements of Revenues, Expenses, and Changes in Net Assets

	2011-12 AUDITED	2012-13 AUDITED	2013-14 ANNUAL PLAN
OPERATING REVENUES			
TOTAL OPERATING REVENUES	\$172,669,580	\$180,246,012	\$171,468,000
COST OF GOODS SOLD	143,232,093	141,653,634	131,063,088
GROSS PROFIT	\$29,437,487	\$38,592,378	\$40,404,912
SELLING AND ADMINISTRATIVE EXPENSES	38,983,323	38,089,843	40,042,692
OPERATING INCOME (LOSS)	-\$9,545,836	\$502,535	\$362,220
NON-OPERATING REVENUES (EXPENSES)			
Interest income	260,845	209,089	184,700
Interest expense	-1,277	-2,530	-5,000
Loss from disposal of capital assets	-312,018	-678,656	-379,063
Other revenue (expenses)	740,542	-113,533	18,400
TOTAL NON-OPERATING REVENUES (EXPENSES)	\$688,092	-\$585,630	-\$180,963
Change in net position	-8,857,744	-83,095	181,257
NET ASSETS AT BEGINNING OF YEAR ¹	104,185,781	95,328,037	82,244,942
NET ASSETS AT END OF YEAR	\$95,328,037	\$95,244,942	\$82,426,199
NET ASSETS AT END OF YEAR			
Restricted Assets ²	44,565,093	55,983,821	57,205,821
Unrestricted Assets ³	50,762,944	39,261,121	25,220,378
Net Assets	\$95,328,037	\$95,244,942	\$82,426,199

¹ 2013-14 Annual Plan assumed a General Fund transfer of \$13,000,000 would occur by June 30, 2013.

² Restricted Assets are Net Investments allocated for a specific purpose in Capital Assets and cash or other items of value that are legally or contractually restricted.

³ Unrestricted Assets are assets that have value and have no restrictions regarding their use or function. This includes cash and other liquid assets.

* Dollars in thousands, except in Salary Range.